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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92054069
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of Registration No. 3,099,847 (Application Serial No. 76/641,146)

MARK: **SKYDIVE ARIZONA**

Registered on the Principal Register on June 6, 2006

Marc Hogue,

Petitioner,

vs.

Skydive Arizona, Inc.,

Respondent.

Cancellation No.: 92/054,069

**SKYDIVE ARIZONA’S REQUEST
PURSUANT TO RULE 201(d) OF
THE FEDERAL RULES OF
EVIDENCE TO TAKE JUDICIAL
NOTICE**

I. Request to Take Judicial Notice

Pursuant to Rule 201(d) of the Federal Rules of Evidence, 37 C.F.R. § 2.122(a), and T.B.M.P. § 704.12, Respondent Skydive Arizona, Inc. requests that the Board take judicial notice of the content of court records in the trademark infringement suit of *Skydive Arizona, Inc. vs. Mike Mullins d/b/a Arizona Skydiving*, Civil Action No. CIV 01-1854 PHX SMM, in the United States District Court for the District of Arizona. Specifically, Respondent requests the Board to take judicial notice of the court records identified as Respondent’s Exhibits A to F previously filed in this proceeding (Dkt. #5).

II. Judicial Notice Is Appropriate in this Proceeding

The Federal Rules of Evidence provide rules of evidence for cancellation proceedings. 37 C.F.R. §2.122(a). Under Rule 201(f) of the Federal Rules of Evidence, judicial notice may be taken at any stage of this proceeding. Under Rule 201(d), taking judicial notice is mandatory if requested by a party and if the Board is supplied with the necessary information. Respondent has separately filed, as Exhibits A to F, court records from the trademark infringement suit of *Skydive Arizona, Inc. vs. Mike Mullins d/b/a Arizona Skydiving*, Civil Action No. CIV 01-1854 PHX SMM, in the United States District Court for the District of Arizona. Since Respondent has requested that judicial notice be taken, and has supplied the Board with the necessary information, Respondent respectfully submits that judicial notice of the identified court records should be taken by the Board.

The Federal Circuit has approved of the Board taking judicial notice in opposition proceedings and cancellation proceedings. In the case of *B.V.D. Licensing Corp. v. Body Action Design, Inc.*, 846 F.2d 727 (Fed. Cir. 1988), the Federal Circuit took judicial notice of certain facts in affirming the Board's dismissal of an opposition proceeding. In a concurring opinion, Judge Nichols said that he was "particularly glad to see" the use of judicial notice in a TTAB proceeding. *Id.* at 729. He further wrote, "Judicial notice gets quite a workout in TTAB appeals, but it is not acknowledged as often as it should be. With so little at stake in the grant or refusal of a trademark or service mark registration, it is often not worthwhile to fill the record with proofs of every fact a court might wish to take into account. Judicial notice fills the gaps." *Id.* Thus, judicial notice is an appropriate method of establishing facts in this cancellation proceeding.

Taking judicial notice of court records under Rule 201 is appropriate. In fact, "[t]he most frequent use of judicial notice of ascertainable facts is in noticing the content of court records." *Genentech, Inc. v. U.S. Int'l Trade Comm'n*, 122 F.3d 1409, 1417 (Fed. Cir. 1997), *quoting from*

Colonial Penn Ins. Co. v. Coil, 887 F.2d 1236, 1239 (4th Cir. 1989).

III. The Board Should Take Judicial Notice of the Judgment in the Prior Trademark Infringement Suit and Other Related Court Records

The judgment entered in the trademark infringement suit of *Skydive Arizona, Inc. vs. Mike Mullins d/b/a Arizona Skydiving* has a direct relation to this cancellation proceeding. Respondent has moved to dismiss the cancellation petition on grounds that it is barred under the doctrine of *res judicata*. Respondent has relied upon both claim preclusion and issue preclusion under the doctrine of *res judicata*.

Claim preclusion will bar Petitioner Marc Hogue in this cancellation proceeding if: (1) there is identity of parties (or their privies); (2) there has been an earlier final judgment on the merits of a claim; and (3) the second claim is based on the same set of transactional facts as the first. *Jet, Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 1362, 55 U.S.P.Q.2d 1854, 1856 (Fed. Cir. 2000). Thus, the judgment in the prior trademark infringement suit (marked as Exhibit B) has a direct relation to this cancellation proceeding, since it establishes factor (2) above. It is well-settled that a court “may take notice of proceedings in other courts, both within and without the federal judicial system, if those proceedings have a direct relation to matters at issue.” *United States ex rel. Robinson Rancheria Citizens Council v. Borneo, Inc.*, 971 F.2d 244, 248 (9th Cir. 1992), *quoting from St. Louis Baptist Temple, Inc. v. FDIC*, 605 F.2d 1169, 1172 (10th Cir. 1979); *see also Colonial Penn Ins.*, 887 F.2d at 1239; *E.I. DuPont de Nemours & Co. v. Cullen*, 791 F.2d 5, 7 (1st Cir. 1986); *Coney v. Smith*, 738 F.2d 1199, 1200 (11th Cir. 1984); *Green v. Warden*, 699 F.2d 364, 369 (7th Cir.), *cert. denied*, 461 U.S. 960 (1983); *Rodic v. Thistledown Racing Club, Inc.*, 615 F.2d 736, 738 (6th Cir.), *cert. denied*, 449 U.S. 996 (1980); *Bryant v. Carleson*, 444 F.2d 353, 357 (9th Cir.), *cert. denied*, 404 U.S. 967 (1971).

The summary judgment decision in the prior trademark infringement action (marked as

Exhibit A) and the decision on damages (marked as Exhibit C) are relevant to factor (1) and factor (3). They show that Petitioner Marc Hogue in this case was in privity with Defendant Mike Mullins in the prior trademark infringement case. Those court records show that Respondent filed the trademark infringement suit against Mike Mullins on September 28, 2001. Exh. A, at 3; Exh. C, at 2; *see, e.g., S. Ry. Co. v. Bouknight*, 70 F. 442, 448 (4th Cir. 1895) (holding, in a mortgage case, that a prior judgment was admissible, “not simply as establishing the fact of its rendition, but as proof of when the action was brought, what for, and the amount”).

The court records in question show that Petitioner Marc Hogue bought the business involved in the trademark infringement lawsuit from Defendant Mike Mullins in May 2002, while the lawsuit was pending. These court records are relevant to the question of privity. For example, in the case of *Boston Scientific Corp. v. Schneider (Europe) AG*, 983 F. Supp. 245 (D. Mass. 1997), the plaintiff BSC was aware of pending litigation between Schneider and SciMed when BSC sought to merge with SciMed. The court held that BSC could not justifiably have held a firm expectation that it would be allowed, after it merged with SciMed, to relitigate issues which SciMed had recently argued without success. *Id.* at 258-59. Similarly, in the case of *ARCO Polymers, Inc. v. Studiengesellschaft Kohle mbH*, 555 F. Supp. 547 (E.D. Pa. 1982), the court determined that the plaintiff succeeded in interest to the subject matter of the judgment of its infringing predecessor, and as a result, the plaintiff was in privity with its predecessor and therefore bound by the earlier judgment. *See generally Cygnus Telcomms. Tech., LLC v. Worldport Commc’ns, Inc.*, 543 F. Supp. 2d 1113, 1122 (N.D. Cal. 2008) (the *res judicata* effect of a property transfer applies if the property is transferred either during or after litigation that leads to an adverse ruling with respect to that property).

The summary judgment decision in the prior trademark infringement action (marked as Exhibit A) and the decision on damages (marked as Exhibit C) are also relevant to factor (3) on

the issue of claim preclusion. Those court records show that the grounds for cancellation advanced by Petition in this proceeding are based on the same set of transactional facts as the defense of descriptiveness advanced by Defendant Mike Mullins in the prior trademark infringement suit. *See, e.g., Mike's Train House, Inc. v. Lionel, L.L.C.*, 472 F.3d 398, 412 (6th Cir. 2006) (“[I]t is common for courts to take judicial notice of prior judgments and to use them as prima facie evidence of the facts stated in them.”).

The court records in question show that Defendant Mike Mullins asserted as defenses that the SKYDIVE ARIZONA mark was allegedly descriptive of the services and allegedly geographically descriptive, the same issues that Mike Mullins’ successor-in-interest Petitioner Hogue attempts to raise in this cancellation proceeding. *See* Exh. A, at 18. In the trademark infringement suit, the federal court rejected the defense of descriptiveness, and held that the SKYDIVE ARIZONA mark had acquired secondary meaning. Exh. A, at 18-19.

In rejecting the defenses of descriptiveness, the federal court found that the SKYDIVE ARIZONA mark “has been continuously used for over 15 years” by Respondent. Exh. A, at 19. The court found that the evidence introduced by Respondent showed “a lengthy, continuous, frequent use of the mark, worldwide recognition, widespread advertising, [and] affiliation with worldwide events.” Exh. A, at 21. Based upon the evidence introduced in the prior trademark infringement suit, the court found that “a finding of secondary meaning is appropriate as a matter of law.” Exh. A, at 21.

The court records that are the subject of Respondent’s request to take judicial notice are also relevant to the question of issue preclusion. In order for issue preclusion to apply, the following requirements must be met: (1) the issue to be determined must be identical to the issue involved in the prior litigation; (2) the issue must have been raised, litigated and actually adjudged in the prior action; (3) the determination of the issue must have been necessary and

essential to the resulting judgment; and (4) the party precluded must have been fully represented in the prior action. *See Mayer/Berkshire Corp. v. Berkshire Fashions, Inc.*, 424 F.3d 1229, 76 U.S.P.Q.2d 1310, 1312-13 (Fed. Cir. 2005); *Jet, Inc.*, 55 U.S.P.Q.2d at 1858-59; *Stephen Slesinger, Inc. v. Disney Enters., Inc.*, Opposition No. 91179064, 2011 TTAB LEXIS 195, at *14 (T.T.A.B. June 8, 2011); *Larami Corp. v. Talk To Me Programs Inc.*, 36 U.S.P.Q.2d 1840, 1843-44 (T.T.A.B. 1995).

The court records in question (Exhibits A & C) show that the requirements for issue preclusion are met. The issues of alleged descriptiveness here are identical to the defense of descriptiveness raised by Defendant Mike Mullins in the prior litigation. Those court records show that the issue of descriptiveness was raised, litigated, and actually decided in the prior litigation. This court records show that the court's determination that the SKYDIVE ARIZONA mark was not merely descriptive was necessary and essential to the resulting judgment against Petitioner's predecessor-in-interest Mike Mullins. The court records show that Petitioner's interests were fully represented by Defendant Mullins, who fought hard to establish his unsuccessful defense based upon descriptiveness.

Otherwise, someone in the position of Defendant Mike Mullins could defeat the judgment entered by the court in the prior trademark infringement case by merely transferring the business to someone else, especially if the new owner of the business could force the trademark owner to relitigate all of the issues that were previously decided against the new owner's predecessor-in-interest.

IV. The Board Should Take Judicial Notice of the Transcripts of the Depositions of Petition Marc Hogue and Defendant Mike Mullins Taken in the Prior Trademark Infringement Suit

The deposition transcript of Marc Hogue taken in the prior trademark infringement suit (marked as Exhibit F) further shows that Petitioner Hogue in this proceeding was in privity with

Defendant Mike Mullins in the prior trademark infringement suit. Exh. F, at 18-20 (“Q. Who owns Arizona Skydiving Coolidge now? A. I do.”). In addition, the deposition transcript of Marc Hogue shows that he purchased the business from Mike Mullins in about May 2002, while the trademark infringement suit was pending. Petitioner Hogue clearly knew about the lawsuit — in fact, he had his deposition taken in that lawsuit while the suit was pending.

On the issue of whether SKYDIVE ARIZONA had acquired secondary meaning, Petitioner Marc Hogue admitted during his deposition that Respondent “is the best drop zone in the world. There’s no question about it. It is a big business. It is a great drop zone.” Exh. F, at 75. Petitioner Hogue also testified:

“Q. Is Skydive Arizona known as a quality drop zone?”

“A. Absolutely.”

“Q. Is Skydive Arizona well known in the skydiving community or market?”

“A. Yes.”

MR. PELTZ: “Object to the form, speculation, foundation.”

BY MR. LEACH:

“Q. Is Skydive Arizona famous in the skydiving market?”

MR. PELTZ: “Object to the form, speculation, lacks foundation.”

THE WITNESS: “Yes.” Exh. F, at 114-15.

This testimony by Petitioner Marc Hogue is obviously relevant to the allegations that Petitioner Marc Hogue is now making in this cancellation proceeding.

The deposition transcript of Mike Mullins taken in the prior trademark infringement suit (marked as Exhibit E) further shows that Petitioner Hogue in this proceeding was in privity with Defendant Mike Mullins in the prior trademark infringement suit. Exh. E, at 9 (“The business was sold to Marc Hogue May 15th, 2002.”).

V. The Board Should Take Judicial Notice of the Settlement Agreement Signed by Petitioner Marc Hogue to Avoid Being Named as a Party in the Prior trademark Infringement Suit

The Board should take judicial notice of the Settlement Agreement between Respondent and Petitioner Marc Hogue (marked as Exhibit D). That document further shows that Petitioner Hogue in this proceeding was in privity with Defendant Mike Mullins in the prior lawsuit. Exh. D, at 1, ¶2 (“Marc Hogue has entered into an agreement to purchase the business involving the skydiving operations previously conducted by Mike Mullins under the name of Arizona Skydiving... . Marc Hogue...has effectively taken over the skydiving operations of the business...”).

In that Settlement Agreement, Petitioner agreed “to immediately change the name of his business to ‘Coolidge Skydiving,’ and will stop using the name ‘Arizona Skydiving’ ...”. Exh. D, at 1, ¶4. In return, Respondent agreed it would not sue Petitioner “for any claim of trademark infringement ... based upon the use of the ‘Arizona Skydiving’ name in connection with the business purchased by Marc Hogue from Mike Mullins.” Exh. D, at 1-2, ¶5.

That Settlement Agreement is also relevant to Petitioner Hogue’s lack of standing. That Settlement Agreement shows that Petitioner suffers no harm resulting from Respondent’s registration, because Petitioner Marc Hogue agreed he would change the name of the business he acquired from Defendant Mike Mullins from “Arizona Skydiving” to “Coolidge Skydiving,” and he had no fear of being sued as long as he lived up to his agreement. Exh. D, at 1-2, ¶¶ 4 & 5.

VI. Conclusion

This case meets the requirements of Rule 201(d), Fed. R. Evid. The court records that are the subject of Respondent’s request are public records that are capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned. The accuracy of the court records of a federal court cannot reasonably be questioned. In view of the

fact that judicial notice may be requested and taken at any stage of a proceeding, this request is timely. Fed. R. Evid. 201(f).

Therefore, Respondent respectfully submits that judicial notice should be taken under the provisions of Rule 201(d) of the Federal Rules of Evidence.

Respectfully submitted,
SNELL & WILMER L.L.P.

DATED: July 13, 2011

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Certificate of Transmission

I hereby certify that on this 13th day of July, 2011, I filed the foregoing SKYDIVE ARIZONA'S REQUEST PURSUANT TO RULE 201(d) OF THE FEDERAL RULES OF EVIDENCE TO TAKE JUDICIAL NOTICE electronically through the Board's ESTTA system.

By: /David G. Barker/
David G. Barker

Certificate of Service

I hereby certify that on this 13th day of July, 2011, I caused a copy of the foregoing SKYDIVE ARIZONA'S REQUEST PURSUANT TO RULE 201(d) OF THE FEDERAL RULES OF EVIDENCE TO TAKE JUDICIAL NOTICE to be served by mailing a copy via the United States Post Office, postage prepaid, in an envelope addressed to:

Jimmie Pursell
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By: /David G. Barker/
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